



COLORADO WINE INDUSTRY DEVELOPMENT BOARD  
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## **Colorado Wine Industry Development Board Meeting**

### **Monday, 4 June 2007** **4 Eagle Ranch, Wolcott, CO**

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The meeting convened about 11:00 AM. Present were Bruce Talbott, Matt Cookson, Dick Walton, Doug Phillips, John Garlich, Horst Caspari, Steve Wallner and Doug Caskey. Guests included Brad Dempsey and Chris Brady, of Holm Roberts and Owen (HRO), Tom Lipetzky, director of the Markets Division of the CO Dept. of Agriculture (CDA), and Bill Musgnung. Peter Shaw, Robbie Hahn and Kuvy Ax joined by phone.

John Garlich moved to dispense with reading the minutes and to approve the minutes of the March 12 meeting. Doug Phillips seconded. The board adopted the minutes without dissent.

After Doug Caskey presented the treasurer's report noting continued strength in revenues for the year, it was suggested that the CWIDB make an annual report to the industry detailing expenditures, programs and activities of the Wine Board, as many industry members are still unsure what the CWIDB does.

In response to a board member request, Doug Caskey presented the job description for the executive director of the CWIDB as well as a list of on-going and recent projects undertaken as part of that position. Doug acknowledged not handling all the details of the job, especially web site maintenance. He requested that the Wine Board revive the Marketing Committee to supervise, comment on and brainstorm recommendations for marketing. Doug Phillips moved to organize a marketing committee and appoint a chair. John Garlich seconded and the motion passed unanimously. Matt Cookson volunteered to serve as chair. The committee will also include Brandon Witham, Doug Phillips, Dick Walton, and Kuvy Ax.

Bill Musgnung suggested finding an employee for the CWIDB to work on the Western Slope. Doug Caskey presented the CDA's decision item requesting a permanent, part-time FTE.

Dick Walton has received requests from Western Slope retailers for Wine Board help to market the industry out of state. There is a need for technical assistance filling out form for selling in other states. The request was made to summarize contacts in contiguous state's liquor enforcement sections for access to wholesaling and shipping and put that summary on the web site. Brad Dempsey offered HRO's assistance in compiling that list and in transcribing the minutes. Doug Phillips moved to accept that offer. Dick Walton seconded and the board approved.

The board then returned to the discussion of the assistant to the executive director. Bill Musgnung argued in favor of housing the position on the Western Slope to provide more personal visitation, perhaps offering it to Marilyn Jensen to supplement her RMAVV position with Winefest. Doug Caskey noted that much of what the position does involves physical labor on the Front Range. Doug Phillips then moved to support the CDA's proposal for a 2008 decision item to request a permanent 0.5 FTE for the Wine Board from the Legislature. Matt Cookson seconded and all voted in favor.

Kuvy Ax presented the PR report from the Fresh Ideas Group, which is now officially the PR agency of record for the CWIDB. The five year contract has been approved by the State Controller. She noted that there was a very limited PR budget from last September through May due to limited budget. The strategies listed in the FIG contract include 1) smart, timely communication to key media and influencers; 2) salon, tasting experiences at the FIG office and elsewhere; 3) optimize opportunities for wineries by providing a list of magazine review deadlines and award templates, for instance.

Horst Caspari then presented an overview of the state viticulturist position in response to the member inquiry. The revised breakdown of his position's time, after it was elevated to a tenure track position, is 40% extension and outreach, 50% research and 10% service (a standard requirement for CSU staff). The current description does not include any teaching activities that will become part of the position this fall.

Horst also noted that he has not compiled the annual research report into a once a year presentation, instead releasing information as it becomes available by putting it on the Orchard Mesa Research Center web page. John Garlich asked that new postings be noted in an e-mail release. Bruce Talbott felt that the main source of concern is about the dissemination the information, not about the nature of that research. He reiterated that the CWIDB should create an annual report summarizing both marketing and research activities to present to the industry.

John Garlich then moved that we resurrect the research committee. Doug Phillips seconded. Doug Caskey asked if the committee will oversee both viticultural and enological research. John Garlich volunteered for the committee, if he could meet by phone, also Bruce Talbott, Horst Caspari and Bill Musgnung. Doug Caskey will solicit more volunteers for both marketing and research committees at the upcoming RMAVV meeting.

When the board took up the subject of a survey of wine industry needs and desires, Tom Lipetzky said that we could borrow techniques from other surveys. Earlier he suggested presenting the survey to the industry as the CWIDB gathering information for the FY 2009 planning process. Doug Caskey speculated that the length of the survey and multiple topics contributed to the less than 30% response rate of the last survey. Bill Musgnung was disappointed with the poor response rate and wondered how to stimulate better response. Tom Lipetzky noted how important it is to get industry buy-in by offering effective programs. Doug Caskey suggested a call list for wine board members to follow up. Brad Dempsey would like to coordinate a survey that HRO would like to administer asking about the industry's legal needs. Matt Cookson suggested the Marketing Committee would go to wineries to solicit appropriate questions. He will try to put together a questionnaire within 45 days and initiate the rewrite of the survey from the last questionnaire.

Bob Peterson, Cassidi Peterson and Annie O'Brien made a presentation of the Colorado Winery Association, done at the urging of Peter Shaw. They will be launching an on-line magazine this year and a print version next year, benefiting all wineries. John Garlich expressed a concern that their efforts duplicate what the CWIDB does. Bob Peterson responded saying they are not asking for money or advertising just support when they approach the wineries. Doug Phillips did not see any downside to the association and Bill Musgnung noted how important oregonwines.com was to start-up wineries in Oregon.

After adjourning for lunch, Steve Wallner reported that three candidates for the enology position have been interviewed. Tyler Thomas declined the selection committee's offer, saying it was a perfect job for him at the wrong time. A fourth provisional candidate will be called to interview

but he has accepted a year long position with UC Davis. Bill Musgnung said that Steve Menke, an enologist at Penn State is still interested. Steve Wallner noted that applications will be accepted until the position is filled. John Garlich said that our young wineries need to learn the basics that a young, recent grad could not supply.

Matt Cookson asked if the board wanted to contract with someone to get the industry through harvest. Bill Musgnung would be interested in filling the gap until CSU can hire someone. He feels the position should be located in Fort Collins to start so the person could become familiar with campus resources. The point of this position is to do research in pursuit of improving the industry. Matt Cookson emphasized that we need someone who is hands-on practical and able to teach us to overcome imperfect conditions in Colorado. Horst responded that the selection committee is split over whether practical experience or grant writing, attracting funds and research are more important.

Matt Cookson moved to extend Bill Musgnung's contract for enology consultation until CSU can hire a permanent person, and Doug Phillips seconded. The CWIDB will contract with CSU to hire Bill Musgnung if the CDA cannot complete a personal services contract by crush. Bill said he would prefer to work regionally, getting many people in the room together, rather than work individually. Bill said he will vacate the position if someone came on-line at CSU.

Horst then made the presentation of the research proposal. He noted the NE 1020 varietal trial program was killed when the USDA earmarks were removed from the Federal budget. Horst's current proposed budget of \$186,787 takes care of the 1/3 for FY 2006 plus underexpenditures from FY 2005 and before. It does not include money for the enologist position. On-going studies include crop load and pruning.

He went on to report that 315 acres have been planted in the last 6 years. He estimates 900-950 acres in the ground with 700 of that producing. Riesling accounts for 50% of new plantings, approaching the fourth most widely planted varietal. There was confusion of whether fruit, fruit juice and non-grapes are subject to the excise tax. Horst recommended that we include the statute language in the new winery packet.

John Garlich proposed and then moved to insert into the Research Proposal an annual visit to regions and counties with more than 30 acres of vineyards by the state viticulturist. This was passed unanimously. Doug Phillips then moved the adoption of the research proposal and Dick Walton seconded. The proposal was adopted unanimously.

Doug Caskey introduced the report from Compliance Services of America that was solicited by Debra Ray and Neil Guard with an RMAVV grant. He wanted the CWIDB to be aware of the desire of some industry members to change legislation that would allow alternating premises or multiple user licenses. Bill Musgnung advocated pursuing legislative changes to allow alternating premises, which are popping up all across America. Don Pace and Laura Harris were resistant to changing the statute, Bill reported, which they said would require mirror changes in brewers' licenses as well. Bill said the new license would make it easier to get in to the winery business and would create more outlets for surplus fruit in Colorado. Horst noted it could help solve the winery space shortage. Bruce Talbott suggested that consortiums of winery owners could be legitimate buyers for wineries coming up for sale. Doug Phillips, who noted that opposition by the beer wholesalers would kill any legislation, agreed to contact Liquor Enforcement to discuss the possibility of alternating premise licenses further.

When taking a final look at the FY 2008 budget, John Garlich moved to replace the purchase of 3-bottle carriers with corrugated six-bottle carriers for roughly the same price. Doug Phillips seconded and the budget was amended. Doug Caskey suggested that in order to make the budget come closer to projected revenues the board ask RMAVV to spend part of the \$18,000 they have held in reserve for the QEP program (\$7500 would be RMAVV's share). Dick Walton then moved to adopt the budget as amended with Matt Cookson seconding. The board adopted the amended budget unanimously.

Doug Caskey reported on the progress of the Culinary and Agri-tourism Mini-conference that will be part of the Governor's Tourism Conference in October. Matt and Doug Phillips recommended including a crush demo and winery tour as part of the event. Plum Creek is also interested in hosting a winery tour during the conference. Doug Caskey also noted that he is spending money on the CTO's FAM trip at the end of June.

Bill Musgnung reported that the next Quality Evaluation Program tasting is the next Friday. He said that it is important to note that many of the panelists on the Rocky Mountain News tasting panel from the 31 May article are on the QEP panel to bring more credibility to the QEP process. He asked John Garlich and Jackie Thompson to talk to RMAVV members at the upcoming meeting about the process.

Matt Cookson said that a spectrophotometer would be a valuable tool for a CSU based lab to answer industry questions. Horst will check on the status of an old spectrophotometer that Rick Hammon had. Horst countered Matt's suggestion of creating a wine lab at Orchard Mesa that the idea was dropped because of concerns over state competition with private business, and there is supposed to be a state of the art lab opening in Palisade as well.

Doug Caskey reported that the wine industry and CWIDB has no B-roll video footage since it was lost after loaning it to the CTO, the presented a proposal for \$10,000 to shoot B-roll footage. Doug Phillips moved to put this on consideration until such time as revenues receive a windfall.

Doug P. also moved to table consideration of any radio advertising proposals indefinitely. He also reported on contact with the Democratic National Convention Committee about participation and their requests for donations. Donations from the CWIDB would probably create some policy issues going directly to one political party. Doug P. will follow-up to explore further opportunities with his contacts.

Doug Caskey asked if the board felt that he should charge for TiPS trainings for winery tasting room staff. Bruce Talbott noted that these training sessions would provide exposure to the executive director. The decision was made to charge to cover the material costs. Doug Caskey also noted that he is recommending to all wine festivals this summer to allow NO open containers on the licensed grounds to help control consumption and avoid intoxicated guests.

Tom Lipetzky briefly reported on Specialty Crops Grant money that will expand several Markets Division programs, including the, CO Proud advertising, rural development and Value-Added grants that are producer controlled as well as new CDA training programs for writing grant applications.

Doug Phillips moved to adjourn after setting the next meeting for Friday, 24 August at 9 AM in Cortez. Dick Walton seconded and the meeting was adjourned.